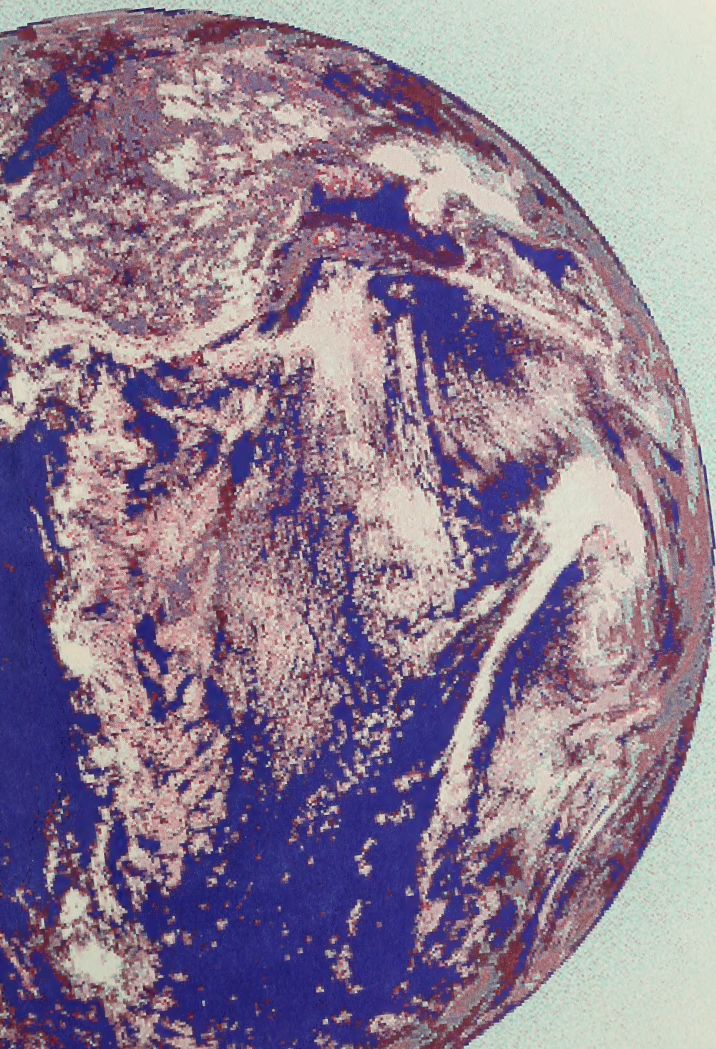


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# TOWARD 2000 TOGETHER

## SUMMARY



An opportunity  
for all Albertans  
to help shape the  
economic future  
of our province

## MISSION STATEMENT

*“To prepare the province to meet the challenges of the 21st century by uniting the energies of Albertans in making choices to accelerate environmentally-sound economic growth and diversification, thereby enhancing the quality of life for all Albertans.”*

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## WHAT KIND OF ALBERTA DO YOU WANT TO SEE IN THE YEAR 2000?



In less than a decade, we will step across the threshold of a new century. How will Alberta's business community have changed? Where will career opportunities be found? What kind of environment will our children inherit? These are questions we must answer together, in setting new directions to take Alberta into the 21st century.

Our goal is to prepare the province to meet the challenges of the 21st century by uniting the energies of Albertans in an initiative to encourage economic growth and diversification.

As a first step in charting a clear course for the future, the Alberta government has developed a discussion paper setting out some of the key issues and a number of options and possible choices for Alberta's future economic direction. Its purpose is to stimulate dialogue and to elicit valuable insights and opinions from all Albertans.

This is your invitation to participate in the Toward 2000 Together Initiative. We ask you to review the discussion paper, to think about the economic options and choices we have today, and to share your insights with us.

Over the past five years, we have come a long way together in building a strong Alberta. By continuing to work in partnership, we can accomplish even more. I invite you to help shape the future for all Albertans, as we move toward the year 2000.

A stylized, handwritten signature of Don R. Getty in dark ink.

Premier Don Getty

*"Our goal is to prepare the province to meet the challenges of the 21st century by uniting the energies of Albertans."*

## TIME TO BUILD ON PAST ACHIEVEMENTS

*"The goal in broadening our economic base has been to reduce the economic and social problems caused by fluctuating international prices for our energy and agricultural commodities."*

Since the 1970s, the Alberta economy has more than doubled in size in terms of the real value of goods and services produced. Once almost totally dependent on energy and agriculture, the province's economic base has become much more diversified to include a broad range of industries, products and services.

Alberta firms have seized opportunities in such fields as advanced manufacturing, forest products and environmental expertise. Food processing, petrochemicals and plastics, tourism and business services have all become major industries. And Alberta products and services now find markets in more than 150 countries.

This progress reflects the cooperative efforts of business, labour, government, educators and individual Albertans working together to implement a forward-looking diversification strategy. Key elements have included:

- establishing the Alberta Heritage Savings Trust Fund
- maintaining a positive business and investment climate
- establishing an extensive infrastructure (in education, health care, transportation, communications and municipal services)
- adding value to resources
- developing world-class universities and an extensive science and technology infrastructure
- developing world-class tourism facilities and events
- providing programs and services for business development
- developing new export markets

The goal in broadening our economic base has been to reduce the economic and social problems caused by fluctuating international prices for our energy and agricultural commodities. A diversified economy means greater economic stability and reduced swings in employment levels, a wider range of educational and career options, and over the long term, more secure family incomes.

Perhaps most important is the direct link between economic diversification and the quality of life we enjoy in Alberta. With a healthy, diversified economy, Alberta can continue to provide the education, health, social and environmental programs we consider important — to maintain our traditions as a caring society.

### **Our economy: stronger and more diverse than ever before**

The success of Alberta's diversification strategy can be measured in the province's income — our Gross Domestic Product (GDP). Despite substantially lower average world energy and grain prices since 1986, the Alberta economy has continued to expand. This reflects the shift from our traditional resource sectors to new industries, products and services.



Over the last five years alone, energy's share of Alberta's GDP has declined from 32% to less than 20% and non-energy investment has almost doubled — growing from \$5.8 billion in 1985 to just under \$11 billion in 1990.

### Jobs for Albertans

More than 107,000 new jobs have been created in Alberta over the past five years. Interestingly, most of this employment growth has occurred outside the primary energy and agriculture sectors, in such areas as advanced technologies, forest products, business services, tourism and petrochemicals and plastics.

### How Alberta's economy has changed

A sector-by-sector review of Alberta's high-growth industries illustrates how far we've come in diversifying our economy and creating a strong foundation for future growth.

The petrochemicals and plastics industry has evolved from our energy sector to become one of our largest manufacturing industries, with shipments valued at more than \$3.5 billion in 1990.

Advanced technologies represent another dramatic success story. Today more than 50,000 Albertans are employed by approximately 1,000 advanced technology enterprises operating in the province.

Forestry has become a major contributor to diversification, with Alberta companies now producing and marketing such value-added products as newsprint, oriented strandboard and medium density fibreboard.

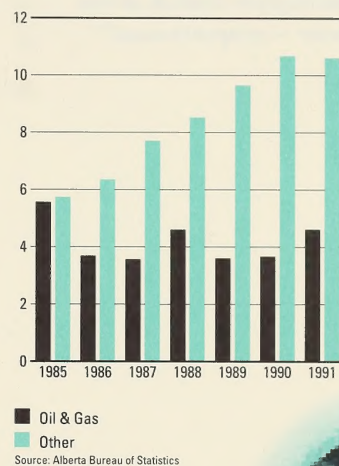
Tourism revenues in Alberta have more than tripled since the late 1970s, totalling approximately \$2.6 billion in 1990. With tourism forecast to become the world's largest industry by the year 2000, Alberta's tourism industry is well poised to capture a growing share of this market over the next decade.

Business services have made an important contribution to our economy, not only making our goods-producing industries more competitive — but generating wealth and creating jobs in their own right.

The energy sector has provided the foundation for much of this growth, diversifying from within to export exploration, production and technical expertise around the world.

Agriculture, too, has diversified into new crops and new products. Food and beverage manufacturing is Alberta's largest manufacturing sector and the value of processed food shipments — at \$4.5 billion in 1990 — now exceeds the value of primary agricultural production.

Private Investment in Alberta  
(Billions of \$)



## HELP PLAN ALBERTA'S ECONOMIC FUTURE

*"Our ability to profit in an increasingly dynamic global marketplace depends on one factor — competitiveness."*

**T**he world is changing — and so is Alberta! While Alberta's approach to diversifying the economy has been successful, the time has come to develop a new strategy — one that recognizes changes in the world's economy and reflects the values of Albertans today.

Our ability to profit in an increasingly dynamic global marketplace depends on one factor — competitiveness. In future, Alberta's economic growth will be measured by our success in designing, developing, producing and marketing products and services superior to those of our competitors.

Simply reacting to change will not be enough. To place Alberta in a stronger and more competitive position, change must be anticipated and strategies developed to capitalize on new business opportunities.

The Alberta government recognizes that strengthening the entrepreneurial environment is essential to economic growth and diversification ...and to securing Alberta's place in tomorrow's economy. In the future, all economic participants will need to look more closely at developing new, cooperative approaches which encourage entrepreneurial activity and nurture the successful start-up and growth of new business ventures.

### **Join us in developing a new strategy**

Setting directions today that ensure continued economic growth and prosperity for Alberta in the 21st century is no small task. Many complex economic and social issues must be addressed and a number of crucial decisions must be made regarding Alberta's priorities for the future. That is why it is important for all Albertans to be involved in the process — and why the Alberta government is encouraging full public discussion of all of the issues surrounding a new economic strategy for the province.

The challenge is to unite the energies of all Albertans in a long-range plan to see an even stronger and more diverse economy take shape.

This brochure summarizes the detailed discussion paper developed as part of the Alberta government's Toward 2000 Together Initiative. Its purpose: to raise awareness of the many challenges and opportunities — the options and choices we face in Alberta on the eve of the 21st century. The discussion paper encourages Albertans to review the progress already achieved in diversifying our economy and to envision the kind of province they would like to see in the year 2000. And most importantly, it invites public participation in the Toward 2000 Together process.



## A coordinated effort

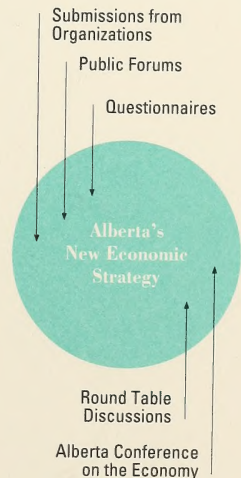
All departments of the Alberta government have joined forces over the past two years to develop Toward 2000 Together. This new program should be viewed as an “umbrella” initiative, bringing together a number of complementary initiatives and public consultation processes dealing with a wide range of economic, social and environmental issues. Some of these include:

- Alberta's Environment Toward the 21st Century (Environment)
- Alberta Action on Waste (Environment and Economic Development and Trade)
- Clean Air Strategy for Alberta (Energy and Environment)
- Alberta Round Table on Environment and Economy
- The Alberta Workforce to the Year 2000 (Career Development and Employment)
- The Future of Work (Labour)
- Premier's Council on Science and Technology
- A Vision to the Year 2000: Alberta Research Council's Corporate Plan
- Forestry Lands and Wildlife Advisory Committee
- Vision for the Nineties: A Plan of Action (Education)
- Premier's Council on the Status of Persons with Disabilities
- Tourism 2000: A Vision for the Future
- Local Development Initiative (LDI)
- Targetting Tomorrow: Alberta's Trade Strategy (Economic Development and Trade)
- Growing Together - Agri-Food Policy Review (Agriculture)
- Environmentally Sustainable Agriculture (Agriculture)
- Select Special Committee on Constitutional Reform (Federal and Intergovernmental Affairs)
- The Future of Alberta Securities Markets — A Discussion Paper (Consumer and Corporate Affairs)

## The next step: Let us hear your views

Over the next several months, Albertans will have many opportunities to join the dialogue on Alberta's economic future. In fact, your involvement can begin today — with the questionnaire included in this brochure. Add your views on Alberta's economic future to those of business, labour, local governments, educational institutions and individual Albertans in all parts of the province.

Public Consultation  
will provide  
input for the  
Toward 2000 Together  
Initiative



## IMAGINE ALBERTA IN THE 21ST CENTURY

**M**ost futurists believe we will witness more change in the last decade of this century than we've seen over the past 90 years. Remarkable innovations will change the way we live and the way we work. Our future will be increasingly influenced by advancing technology, more liberalized world trade, and shared concerns about the global environment.

Against this background, it is important for Albertans to develop a realistic vision of where Alberta could — and should — be in the year 2000. Only with a shared vision can we achieve the goals that we set for the future.

A strong economy will provide Alberta with the financial resources to take action in areas considered important, and to fund the programs and services that will enhance our quality of life. Such programs and services should be based on the values that Albertans consider important, and should be incorporated within our vision of the future.

Albertans have already defined many of the elements of their vision for our province's future. Their comments have provided the basis for the suggested vision which appears below. Is this the Alberta you would like to see in the year 2000? Is this a realistic vision, or will some trade-offs be necessary? If trade-offs must be made, which elements do you consider to be most important?

Please review this vision — and let us know what you think.

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### **A Suggested Vision for the Alberta Economy in the Year 2000**


*Alberta is a diversified, internationally competitive economy which provides challenging employment opportunities and the means to maintain the quality programs that Albertans have come to expect in education, health and social services. Alberta is a leader in protecting the environment and ensuring that future generations can sustain prosperity, living standards and continued quality of life.*

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## ALBERTA'S ECONOMIC AND DIVERSIFICATION OBJECTIVES

 Transforming visions into reality calls for careful planning and some clearly defined objectives. In the case of Alberta's economic vision, government must ensure that the objectives are realistic, the goals achievable. With a relatively small economy competing in the global marketplace, the province cannot hope to succeed in all areas. The key is to capitalize on our competitive strengths to diversify into new areas of opportunity.

The following objectives can serve as a guide to stimulate discussion in developing Alberta's economic strategy for the 1990s.

- To promote a highly-skilled, innovative and adaptable workforce through a strong, shared commitment to skills development and life-long learning.
- To foster an entrepreneurial business culture where the private sector continues to generate challenging employment opportunities in all regions of the province.
- To sustain a competitive business and investment climate for new higher value-added industries, resource upgrading, advanced manufacturing, and business services.
- To pursue economic development that is based on the principles of environmental sustainability and sound management of our agriculture, energy and forest resources.
- To strengthen the viability of Alberta communities and maintain a high quality of life across the province.
- To promote a quality work environment that fully challenges the talents and abilities of individual Albertans and leads to a more productive and competitive economy.
- To build stronger partnerships among employers, educators, governments, unions and individuals, and facilitate new, less adversarial approaches to employer-employee relations.
- To encourage the development and application of science, technology, and research to enhance Alberta's domestic and international competitiveness.
- To strengthen Alberta's reputation as a major international tourism destination and ensure that the province benefits from the full range of economic opportunities available through tourism development.

These objectives identified are intended only to stimulate discussion and to provide a framework and a rationale for strategy considerations. What is your reaction to these objectives? Let us know.

*"The key is to capitalize on our competitive strengths to diversify into new areas of opportunity."*



*"Our shared commitment to responsible financial management means that we must make even more effective use of limited resources in the years ahead."*

The Alberta government has considerable scope for pursuing its economic strategy. To avoid unrealistic expectations, however, it is important to recognize that the province cannot control many of the external business, political and institutional influences on its economic performance. Sometimes these outside forces encourage our economic growth; in other cases they constrain it.

In exploring options and choices for Alberta's economic future, we must keep these factors in mind:

- Alberta's principal resource and manufactured products are sold at prices which are largely influenced by market forces outside Canada.
- Market access for Alberta products and services is subject to the tariff and non-tariff barriers of the more than 150 countries to which Alberta now exports.
- As a trading province...with close to 270,000 jobs directly or indirectly dependent on international trade...Alberta's economic performance is strongly influenced by global economic conditions and trends.
- The federal government has responsibility over key areas such as foreign exchange, banking, monetary policy, and the regulation of interprovincial and international trade and commerce. In some of these areas...such as interest rates, the external value of the Canadian dollar, the Goods and Services Tax (GST), federal income tax reform and the Western Economic Diversification Initiative...federal government actions clearly impact on the province's industrial development and diversification efforts.
- Uncertainties over national unity and Canada's constitutional future, if not satisfactorily resolved, could affect business and investor confidence.

A broad range of factors must therefore be considered in the development of Alberta's economic strategy for the future.



## Options to consider; choices to make

Albertans have made it clear that a balanced provincial budget is important to them, as it is to the Alberta government. Our shared commitment to responsible financial management means we must make even more effective use of limited resources in the years ahead and carefully consider all of the options open to us.

At the same time, our new economic strategy must reflect Alberta's social, cultural and community objectives and, above all, promote economic growth which is environmentally sound.

You are invited to review and respond to the following options. They are presented to illustrate some of the key issues likely to confront Alberta over the next decade. Please note that the issues being discussed in this initiative are primarily economic in nature. Other issues, such as health and social welfare, are being reviewed in other government initiatives.

**Albertans will need to look at what priority should be given to economic development and diversification in Alberta's overall public policy.** Today, more than 65% of the Alberta government's annual program expenditures goes to education, health and social services. Transfers to municipalities and the provision of government services, such as highways and the administration of justice, account for a further 25%. The remaining 10% of program expenditures goes directly to resource management and economic development. These expenditures all directly or indirectly contribute to the future economic health and vitality of the province.

Some options include allocating a larger share to resource and economic development to provide future sources of jobs and income...allocating fewer funds in these areas while concentrating on providing a more competitive tax and business environment...or maintaining the present balance between economic and social spending.

**Albertans will need to consider the most appropriate role for government to play in encouraging the private sector to generate wealth and create jobs in Alberta.** During the downturn in the mid-1980s, the Alberta government provided incentives and support programs to the business community. Looking ahead, government sees less need for this type of involvement in a much stronger economy which is attracting new private investment. Government now has the opportunity to build on past successes and to pursue new directions in further diversifying the economy. This will require the right strategy for the times as well as government's willingness to support private sector initiative with appropriate assistance.

1991-92  
Alberta Government  
Program Expenditures  
(percent)



*“The challenge will be to integrate environmental considerations more fully into the economic decision-making process.”*



Some options include seeing government provide loans, equity, grants and loan guarantees to viable Alberta businesses, but only when financing from conventional sources is difficult to obtain...focusing government support on programs and services generally available to all businesses (e.g. business counselling and provision of market intelligence)...or seeing government provide only indirect support by maintaining an attractive business and investment climate as well as an attractive corporate tax structure. Albertans must also be aware of the possible reactions of our trading partners to certain types of government assistance as we attempt to negotiate a “more level playing field” for international trade.

**Albertans will have to determine the priority to be placed on developing the province’s human resources through existing and new approaches to education, skills upgrading and training.** A highly skilled workforce will be essential for Alberta to succeed in the knowledge-intensive world of the 21st century. New approaches may be required to more effectively bring together economic and educational priorities. This may require a shift in the responsibilities borne by government, the private sector and the individual.

Some options include seeing government dedicate more resources to education, skills upgrading and training...seeing the private sector play a larger role in funding education and increase its commitment to training...or seeing individual Albertans assume more responsibility for their own training.

**Albertans will need to consider how the priority placed on environmental protection should be reflected in Alberta’s economic and diversification strategy.** Protecting the environment is of utmost importance to the majority of Albertans. At the same time, environmental requirements and costs are major considerations that business cannot afford to ignore. The challenge in the decade ahead will be to integrate environmental considerations more fully into the economic decision-making process to ensure the environment is protected without unnecessarily restricting the potential for further economic development and job creation.

Some options include “going slow” on economic development unless new projects can be proven safe...encouraging the development of only those industries with no significant environmental impact...or encouraging the development of all industries but taking steps to minimize the impact on the environment.



- 5 **Albertans will need to consider the priority to be placed on regional and community development in relation to our other economic objectives.** Thousands of Albertans prefer a small community lifestyle — an option they view as key to Alberta's attractive quality of life. Others feel there is an urgent need to encourage Alberta's major urban centres to develop as internationally competitive world-class cities. Whatever their views, Albertans have clearly expressed a strong desire to take a more active role in directing the future of their communities. This message was reinforced at recent Local Development Initiative forums held throughout the province.

Some options include providing direct government support to maintain the viability of smaller communities...placing an increased emphasis on the development of world-class urban centres...or leaving community development to the marketplace and providing tools to assist communities to undertake their own economic initiatives.

- 6 **Albertans will need to determine the best approaches to encouraging more research and development in Alberta.** Over the past eight years, the Alberta government has invested nearly \$2 billion in support of science and technology. If Alberta is to compete in the advanced technologies of tomorrow, ways will have to be found to strengthen our research and development capabilities, particularly in the private sector.

Some options include seeing the Alberta government commit more funding to science and technology...providing incentives to encourage the private sector to undertake more research and development...or leaving the issue entirely to the marketplace.

- 7 **Albertans will need to consider if government should make a commitment to be in the forefront of certain high-technology, manufacturing and service industries.** Alberta companies have considerable potential to succeed in such industries as advanced materials, biotechnology, electronics, telecommunications, aerospace, industrial machinery and equipment, engineering, and computer services. However, there is continuing debate on the extent to which the Alberta government should use public funds to encourage development of these industries. Experience in other jurisdictions has demonstrated that success in attracting investment in these areas often depends on government playing a significant role, along with a commitment to a specific development plan prepared and implemented by all stakeholders.

Some options include seeing government target high-potential industries and provide significant funding support to directly assist industry...providing only infrastructure support, such as advanced technology centres...only matching the levels of support provided to such industries by other provinces and states...or providing no special funding for such industries, but offering an attractive climate for all business in Alberta.



**Albertans will need to look at whether a larger share of the Alberta Heritage Savings Trust Fund should be used to support our economic objectives.** Established in 1976, the Heritage Fund now has assets of over \$12 billion. Non-renewable resource revenues are no longer contributed to the Heritage Fund and the annual income earned on investments is transferred from the Fund to General Revenues. In recent years this has helped maintain the range and quality of government services to Albertans, while lessening the provincial tax burden on both individuals and businesses. It has been estimated that the Heritage Fund's contribution to government operating revenues is equivalent to a 6% sales tax.


Some options include making economic diversification the Heritage Fund's main objective...using the Fund primarily as a stable source of government revenue to maintain lower taxes in Alberta...or continuing with the present balance of social, fiscal and economic objectives.

#### **Other options?**

You may want to review the full discussion paper before responding to the questionnaire. You may also wish to propose other options and possible strategies for consideration. Please feel free to provide your comments in the space provided in the questionnaire, or to add additional sheets as required.



## TOWARD 2000 TOGETHER: HOW TO PARTICIPATE

he dialogue on Alberta's new economic strategy will continue over the next several months. Here are some ways to join the discussion.

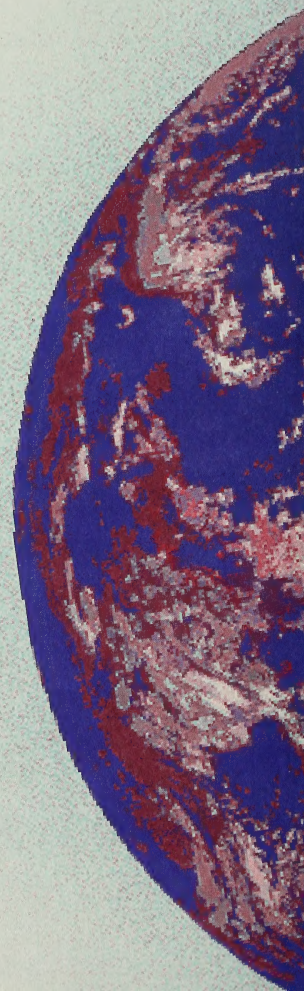
- Call us: at 1-800-661-PLAN. We'll supply straight answers to your questions and make sure you get the materials you need to participate.
- Write us: Complete the questionnaire included with this brochure and return it in the postage-paid envelope provided. If you need more space, feel free to attach a separate sheet. Or start from scratch and prepare your own submission, setting out your thoughts, ideas and opinions on Alberta's economic future.
- Keep informed — through regular newsletter updates distributed on request to all interested Albertans.

### **Key steps in the Toward 2000 Together Initiative:**

- Release of discussion paper inviting public input
- Round Table discussions for experts to provide a fresh perspective on some of the Toward 2000 Together issues
- Public forums for individuals and organizations to present their ideas to the government
- Summary Report of all public input published
- An Alberta Conference on the Economy for invited stakeholders and the general public
- A draft strategy produced, allowing opportunity for further public input
- Alberta's new economic strategy announced

### **PLEASE RETURN QUESTIONNAIRES AND SUBMISSIONS TO:**

Hon. Peter Elzinga & Hon. Rick Orman  
c/o Economic Planning Committee  
Government of Alberta  
Room 324  
Legislature Building  
Edmonton, Alberta T5K 2B6



TOWARD  
2000  
TOGETHER

Call toll-free  
1-800-661-PLAN  
for more information